Hart Estates (Granton Harbour) Limited

Annual report and financial statements

Registered number SC274559

31 March 2020

Contents

Directors and Advisors

Directors	KD Reid SG Simpson EJE Haggerty
Company Secretary	P Dimond
Registered office	16 Walker Street Edinburgh EH3 7LP
Auditor	KPMG LLP Saltire Court 20 Castle Terrace Edinburgh EH1 2EG
Principal banker	Royal Bank of Scotland plc 36 St Andrew Square Edinburgh EH2 2YB
Solicitors	Burness Paull LLP 50 Lothian Road Festival Square Edinburgh EH3 9WJ

Directors' Report

The directors present their report together with the financial statements of the Company for the year ended 31 March 2020.

Principal activities

The principal activity of the Company is the development and selling of private residential housing

Trading results

The results of the Company is a profit of £4,848,415 *(2019:£273,006)* shown in the profit and loss account on page 6.

Dividends

Dividends of £1,744,337 were paid during the year ended 31 March 2020 *(2019: £Nil)*, and the directors do not propose the payment of a final dividend.

Directors

The directors who served the Company during the year and to the date of this report were as follows:

KD Reid
SG Simpson
EJE Haggerty

The Company maintains appropriate insurance for directors of the Company against any liability incurred in the execution of their duties.

Financial instruments

Details of the Company's financial instruments are given in notes 7 and 8 to the financial statments.

Political contributions

The Company made no political donations or incurred any political expenditure during the year *(2019: £Nil)*.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Signed by order of the Board

PDimond

P Dimond
Secretary

16 Walker Street
Edinburgh
EH3 7LP

16 December 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HART ESTATES (GRANTON HARBOUR) LIMITED

Opinion

We have audited the financial statements of Hart Estates (Granton Harbour) Limited ("the company") for the year ended 31 March 2020, which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

- Under the Companies Act 2006 we are required to report to you if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HART ESTATES (GRANTON HARBOUR) LIMITED *(continued)*

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and, take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Hugh Harvie

Hugh Harvie (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

17 December 2020

Profit and Loss Account and Other Comprehensive Income
For the year ended 31 March 2020

	Note	**2020**	2019
		£	£
Turnover	*2*	**-**	915,000
Cost of Sales		**7,274**	(631,470)
Gross profit		**7,274**	283,530
Administrative expenses		**4,789,871**	(1,821)
Operating profit	*3*	**4,797,145**	281,709
Interest receivable and similar income	*5*	**64,981**	55,336
Profit before taxation		**4,862,126**	337,045
Tax on profit	*6*	**(13,711)**	(64,039)
Profit for the financial year and total comprehensive income		**4,848,415**	273,006
Retained earnings at beginning of year		**(3,104,078)**	(3,377,084)
Dividends paid		**(1,744,337)**	-
Retained earnings at end of year		**-**	(3,104,078)

The Company has no other comprehensive income other than the result for the current and previous period.

The result for the year has been derived from continuing activities.

Balance Sheet
at 31 March 2020

	Note	2020 £	2019 £
Current assets			
Debtors	7	**1**	1,759,000
Cash at bank and in hand		**734**	105
		735	1,759,105
Creditors: amounts falling due within one year	8	**(734)**	(4,863,182)
Net assets / (liabilities)		**1**	(3,104,077)
Capital and reserves			
Called up share capital	9	**1**	1
Profit and loss account		**-**	(3,104,078)
Shareholders' funds / (deficit)		**1**	(3,104,077)

These financial statements were approved by the board of directors on 16 December 2020 and signed on their behalf by:

E J E Haggerty
Director

Company registered number: SC274559

Notes
(forming part of the financial statements)

1 Accounting policies

Hart Estates (Granton Harbour) Limited (the "Company") is a private company limited by shares and is incorporated, domiciled and registered in the UK.

These financial statements were prepared in accordance with section 1A Small entities of Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (*"FRS 102"*). The presentation currency of these financial statements is sterling.

Under section 1A Small entities of FRS 102, the Company is not required to prepare a cash flow statement.

The Company's ultimate parent undertaking, Cruden Holdings Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Cruden Holdings Limited are available to the public and may be obtained from the address shown in note 11. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Cruden Holdings Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The directors do not consider there to be any significant judgements made in the application of the accounting policies.

1.1 Measurement convention

The financial statements have been prepared on the historical cost.

1.2 Going concern

The financial statements have been prepared on a going concern basis. The Directors have prepared a going concern assessment for a period of at least 12 months from the balance sheet date. This has taken account of impact of COVID 19 which has had a minimal impact on the operations of the company. This assessment demonstrates the company will continue to have adequate resources to continue in operational existence for the foreseeable future. Thus, they adopt the going concern basis of accounting in preparation of the financial statements.

1.3 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Notes *(continued)*

1 Accounting policies *(continued)*

1.3 Basic financial instruments (continued)

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1.4 Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.5 Turnover

Turnover comprises settlement income from the sale of land.

Notes *(continued)*

1 Accounting policies *(continued)*

1.6 Expenses

Interest receivable and Interest payable

Interest payable and similar charges include interest payable and unwinding of the discount on provisions. Other interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

Dividend income is recognised in the profit and loss account on the date the Company's right to receive payments is established.

1.7 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits

1.8 Classification of financial insturments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the group; and

(b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Notes *(continued)*

2 Turnover

Turnover comprises settlement income from the sale of land. All turnover originates in the United Kingdom.

3 Expenses and auditor's remuneration

Administrative expenses includes the write-off of intercompany loan £4,789,961.

Auditor's remuneration is paid by a fellow group company, Cruden Homes (East) Limited, and is disclosed in the accounts of that company.

4 Staff numbers and costs

The Company has no employees other than its directors. No directors' remuneration was paid during the year *(2019: £Nil)*.

5 Interest receivable and similar income

	2020	2019
	£	£
Receivable from group undertaking	**64,981**	55,336

6 Taxation

Total tax expense recognised in the profit and loss account

	2020	2019
	£	£
UK Corporation tax		
Current tax on income for the period	**13,711**	64,039

Reconciliation of effective tax rate

	2020	2019
	£	£
Profit for the year	**4,848,415**	273,006
Total tax expense	**13,711**	64,039
Profit excluding taxation	**4,862,126**	337,045
Current tax at 19% *(2019: 19%)*	**923,804**	64,039
Effects of:		
Tax affect of income not taxable	**(910,093)**	-
Total tax charge included in profit or loss	**13,711**	64,039

Notes *(continued)*

6 Taxation *(continued)*

Factors affecting the future current and total tax charges
A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016, and the UK deferred tax asset as at 31 March 2020 has been calculated based on this rate. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. This will increase the Company's future current tax charge accordingly

7 Debtors

	2020	2019
	£	£
Other debtors	**1**	-
Amounts owed by group companies	**-**	1,759,000
	1	1,759,000

8 Creditors: amounts falling due within one year

	2020	2019
	£	£
Amount owed to group companies	**734**	4,789,961
Accruals and deferred income	**-**	1,748
Corporation tax	**-**	64,039
Other creditors	**-**	7,434
	734	4,863,182

9 Called up share capital

	2020	2019
	£	£
Issued and fully paid:		
1 ordinary share of £1	**1**	1

The holders of ordinary shares are entitled to receive dividends, as declared from time to time, and are entiutled to one vote per share at meetings of the Company. All ordinary shares rank equally.

10 Related party transactions

Identity of related parties with which the Company has transacted

As a member of Cruden Holdings Group, the Company is exempt from the requirements of FRS102.33 to disclose transactions with other members of the group headed by Cruden Holdings Limited.

There were no other related party transactions during the year or prior year.

Notes *(continued)*

11 Immediate and ultimate parent company

The immediate parent company is Hart Estates (City) Limited and the ultimate parent company is Cruden Holdings Limited. Both companies are incorporated in Scotland.

The largest group in which the results of the Company are consolidated is that headed by Cruden Holdings Limited. The smallest group in which these results are consolidated is that headed by Cruden Homes (East) Limited. The consolidated accounts of these groups are available to the public and may be obtained from 16 Walker Street, Edinburgh, EH3 7LP.